

— Filings Review Section —

The section's insurance analysts monitor the rates and policy forms used by insurers in providing insurance coverage for Alaskans.

The statutory standard for reviewing insurance rates is that proposed rates must not be inadequate, excessive, or unfairly discriminatory. The rate review considers the company's ability to pay claims and ensures that the rates are not unfairly discriminatory to policyholders, while not impairing the competitive insurance market in Alaska.

The statutory standard for reviewing insurance policy forms is that the forms must not be ambiguous, misleading or in conflict with statute. Assuring adequate disclosure to the insured of his or her rights and responsibilities is an important part of the forms review process.

Filings which do not meet these standards are questioned and the insurer is given an opportunity to correct the deficiencies in the filing. Filings which are corrected by the insurer are approved for use; filings which are not corrected are disapproved.

Issues which arise from the review of form filings are used as an aid to detecting and preventing unfair discrimination and are used by the insurance analysts as part of market regulation to assist them in identifying and resolving deceptive market acts or practices.

| <b>Status of rate and form filings for calendar year:</b> | <b><u>2009</u></b> |
|---|--------------------|
| Approved  | 1,305              |
| Authorized  | 1,597              |
| Disapproved   | 83                 |
| Withdrawn   | 477                |
| Other*  | <u>329</u>         |
| <b>Total</b>  | <b>3,791</b>       |

Insurance analysts are also involved in preparing consumer education materials such as the Auto Insurance Guide, the Homeowners Guide, the Medicare Supplement Insurance Rate Guide, the Workers' Compensation Rating Guide, and the Alaska Long-Term Care Insurance Consumer Guide.

\*Many of the filings in the other category have been questioned and are pending responses from insurers to correct the deficiencies.

— Actuaries —

The division has two actuaries on staff; one property and casualty insurance actuary and one life and health insurance actuary. Actuaries are business professionals who analyze insurance risks such as the risk of having an auto accident or needing health care through the use of mathematics, statistics, and financial theory to estimate the potential financial impact of those risks.

The division actuaries use their training and skills to evaluate insurer reserves to assist the Financial Section in monitoring the solvency of Alaska's insurance industry. They also review the more technical rate filings for health insurance, workers compensation, and other property/casualty lines for compliance with Alaska's rating laws.

In addition to their actuarial responsibilities, the division actuaries supervise the filing review and market regulation functions in the division. The actuaries' other duties also include drafting insurance laws and regulations, analyzing state and federal laws that impact the business of insurance in Alaska, and assisting the director with expert testimony before the Legislature on insurance issues and legislation. They also participate on various task forces, committees and boards such as the Alaska Comprehensive Health Insurance Association, and the Workers Compensation Review and Advisory Committee.