



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Insurance

Sean Parnell, Governor
Susan K. Bell, Commissioner
Linda S. Hall, Director

BULLETIN B 11-13

TO: ALL INSURERS WRITING LIFE INSURANCE OR ANNUITIES IN THIS STATE AND OTHER INTERESTED PARTIES

RE: COMPLIANCE WITH THE NOTICE REQUIREMENT IN AS 21.45.020(c)

On July 1, 2011 the following requirement in AS 21.45.020 went into effect:

(c) A life insurance policy or annuity contract delivered or issued for delivery in this state and each life insurance policy or annuity contract application must contain a notice prominently printed on or attached to the first page stating

(1) on written request, an insurer is required to provide, within a reasonable time, reasonable factual information regarding the benefits and provisions of the policy or contract to the policy or contract holder; and

(2) if, for any reason, the policy or contract holder is not satisfied with the policy or contract, the policy or contract holder may return the policy or contract within 10 days after the policy or contract is delivered and, except as provided in (d) of this section, receive a refund of all money paid.

The division has received a number of questions from insurers regarding the implementation of this new requirement. The following are guidelines for insurers to consider in complying with the new notice requirement.

Applicability

The provision applies to

1. a life insurance policy or annuity contract delivered or issued for delivery on or after July 1, 2011; and
2. life insurance or annuity contract forms exempt from filings before January 1, 2011 that are subject to the filing provisions set out in Bulletin B 10-08, which states in part:

If a new or modified application, endorsement, rider, or amendment is filed with the division for approval on or after January 1, 2011 and the application, endorsement, rider, or amendment is to be used with a base form that was not previously filed for approval pursuant to Order 83-1, that base form and all other applications, endorsements, or riders that may be used with that form must also be filed.

The provision **does not** apply to

1. policies delivered or issued for delivery before July 1, 2011;
2. forms filed through the Interstate Insurance Product Regulation Compact (IIPRC);

3. group policy forms; or
4. reinstatement or supplemental applications.

Filing requirements and method of compliance

- All policies to be delivered or issued for delivery on or after July 1, 2011 must comply with the notice requirement and amended forms must be filed with the division.
- An insurer may file an endorsement to a policy that complies with the notice requirement, but the endorsement must be attached to the first page of the policy. An endorsement may not be filed for an application form and the application must comply with the required notice requirement.
- An insurer may file just an amended first page of a policy form to comply with the notice requirement. The filing must reference the Alaska filing number of the approved policy form that is being amended.
- If an application is not made part of the policy, **both** the application form and the policy form must contain the required notice.
- If the application is part of the policy and the application contains the notice, then the policy form is **not** required to be modified to also include the notice. The insurer should provide an explanation in the application filing that this is the case and the application **must** be attached to the front page of the policy.
- An insurer may respond to a request for information in writing or verbally. The division recommends that an insurer create a written record of any verbal response provided to a written request for information and send a copy to the person who requested the information as confirmation of the insurer's verbal response.
- If an insurer files only an application form, then the insurer **must** include in the filing a list of policy forms and the corresponding state filing number, if applicable, for which the application will be used. In addition the insurer must state whether each policy form complies with the new notice requirement. If a policy form does **not** comply with the new notice requirement, it **must** be modified and filed for approval.
- If an insurer files one or more policy forms without the applicable application, then the insurer must list in the filing the application forms that will be used with the policy forms and corresponding state filing number, if applicable. The insurer must state whether the application complies with the new notice requirement and if not, an amended application must be filed for approval.

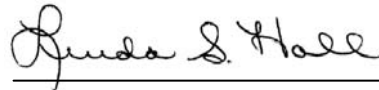
Notice contents

- A request for information by a consumer could occur before, during, or after the “free look” period and an insurer is **not** required to modify the 10-day “free look” period to accommodate a time for response.
- Regarding “a reasonable time” referenced in the law, a defined number of days must be specified in the required notice. The division recommends a time period that is no longer than 10 working days from the date of receipt of the request by the insurer. To the extent that a policy is still in a “free-look” period, the division encourages insurers to respond to a request for information before the end of the “free-look” period, but the insurer may still specify a 10 working day or less response time in the notice regardless of when the request was received.

- The division encourages insurers to use a longer than the minimum 10-day “free look” period.
- An insurer must include at a minimum an address to which a consumer may send a written request for information in the notice. However, the division strongly recommends the insurer to include both a phone number and e-mail address in the notice as well.
- Replacement policies must contain at least a 30-day “free look” period. If an insurer specifies a shorter than 30-day “free look” period on a policy form that will **also** be used for replacements, the form must include both “free look” periods, including the 30-day or more “free look” period for replacements.

This bulletin supersedes and rescinds the Life and Annuity Insurers section of Bulletin B 11-07 as it relates to AS 21.45.020(c) and (d), located at the bottom of page 3 and the top of page 4 of that bulletin.

Dated this 7th day of November, 2011 at Anchorage, Alaska.



Linda S. Hall
Director