

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

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BULLETIN B96-08

TO: All individual and firm licensees and insurance companies

RE: Termination of Company Appointments submitted by insurers, managing general agents, reinsurance intermediary managers, or reinsurers.

This bulletin will identify a change in the handling of Termination of Company Appointment Forms received by an insurer, managing general agent, reinsurance intermediary manager, or reinsurer.

Statutory Requirement

Under Alaska Statute (AS) 21.27.100 an insurer, managing general agent, reinsurance intermediary manager, or reinsurer must submit a company appointment to the division for any person who is to act as its agent or representative. To terminate any appointment, an insurer, managing general agent, reinsurance intermediary manager, or reinsurer must provide at least 10 days written notice to the appointed agent/ managing general agent and the division using Termination of Company Appointment Form 08-231, pursuant to AS 21.27.110(a)(1).

Current Procedure and Change

The Termination of Company Appointment form is currently a four-part form. When the division receives a completed form, two of the four copies are mailed to the insurer and licensee confirming that the termination has been received, while the remaining two copies are filed with the division.

Effective January 1, 1997, the division will no longer send the confirmation copies of the processed termination to the licensee and insurer. A company terminating an appointment, therefore, must ensure that it has complied with its statutory duty to provide 10 days written notice to the appointee and director. If the termination effective date as reflected on the form received by the division, does not comply with the minimum 10-day notification period as required by statute, the division will approve the termination with a new effective date and mail copies of the revised termination to both the insurer and the licensee.

For example, if the insurer/managing general agent/reinsurance intermediary manager/ reinsurer is terminating ABC Insurance Agency on January 12, 1997, the insurer/ managing general agent/reinsurance intermediary manager/reinsurer must send written notice to the licensee and the director of the effective date of the termination NO LATER THAN January 2, 1997.

The division is in the process of modifying its existing form into a two-part form. If an insurer wishes to receive confirmation of the processed termination from the division, the insurer must submit a copy of the termination form with a self-addressed, postage-paid envelope.

The division will continue to accept the Termination of Company Appointment Form 08-231, revised 5/93, but the copies previously mailed to the insurer and licensee confirming the termination will not be mailed if the termination form is received after December 31, 1996.

If you have any questions regarding this change, please contact our licensing section at (907) 465-2575, 2578, 2579, or 3420.

Dated this 24th day of September, 1996.

A handwritten signature in cursive script, appearing to read "Marianne K. Burke".

Marianne K. Burke
Director of Insurance