



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Commerce, Community,
and Economic Development**

DIVISION OF INSURANCE
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ORDER NUMBER R 12-04

November 16, 2012

**ORDER REQUIRING PAYMENT OF ASSESSMENT AND LEVYING
PENALTY UNDER AS 21.55.220 AGAINST THE INSURANCE COMPANY
LISTED WITHIN THIS ORDER FOR FAILURE TO PAY THE
AUGUST 15, 2012 ALASKA COMPREHENSIVE HEALTH INSURANCE
ASSOCIATION ASSESSMENT**

BACKGROUND:

1. On August 15, 2012, the administrator of the Alaska Comprehensive Health Insurance Association (ACHIA), Benefit Management, Inc., mailed to the below-listed company a notice of assessment in the indicated amount. No notice was returned by the U.S. Postal Service as undeliverable.

<u>Company Name</u>	<u>Market Share</u>	<u>Amount Assessed</u>
Nationwide Life	.0014673236%	\$ 17,608

2. The August 15, 2012 notice outlined the two options available to the company regarding the August 15, 2012 ACHIA assessment. First, after reviewing the definition of major medical coverage, if the company determines that the company did not write major medical coverage in Alaska in **2011**, the company provides ACHIA a certification by an actuary or an appropriate officer of the company stating that the company did not write major medical coverage in Alaska in **2011**. Or, second, after reviewing the definition of major medical coverage, if the company determines that the company is subject to the assessment, the company pays the assessment to ACHIA by September 15, 2012.

3. On September 19, 2012, a second notice was sent to the above-listed company and on October 26, 2012, a third notice was sent by certified mail. This notice stated that payments had to be delivered to the administrator by November 15, 2012 in order to avoid a penalty. Nationwide Life signed the receipt for the certified mailing, which was returned to ACHIA on November 5, 2012.

FINDINGS:

The director finds that:

A. It has been 94 days since the first notice of assessment was mailed. The company listed in this order has failed to pay the August 15, 2012 ACHIA assessment within 30 days from the date of its receipt of written notice of the assessment, as required under AS 21.55.220. Further, the company failed to respond to the second notice that was mailed on September 19, 2012, which required payment by September 30, 2012 in order to avoid a penalty or the third notice that was mailed on October 26, 2012, which required payment by November 15, 2012.

B. The company listed above did not provide to ACHIA a signed certification by an actuary or appropriate officer of the company to the effect that it does not write major medical coverage in Alaska, as defined in AS 21.55.500(14), and, therefore, should not be subject to assessments under AS 21.55.220.

C. The company listed in this order reported in the 2011 National Association of Insurance Commissioners annual statement an amount of health insurance premium written in Alaska in the assessment base year of 2011 upon which the market share percentage listed above was based.

D. AS 21.55.220(d) provides in part “. . . A member who fails to pay a fiscal year end or interim assessment as required in this subsection (1) shall pay a civil penalty to the director in the amount of \$100 for each day the member fails to pay the required assessment, and (2) may have the member’s certificate of authority revoked by the director. . . .”


ORDER:

The director orders Nationwide Life, as a condition of doing health insurance business in this state, to maintain its membership in the Alaska Comprehensive Health Insurance Association by **paying its assessment with a check payable to the Comprehensive Health Insurance Association; P.O. Box 1090; Great Bend, KS 67530**. A copy of the attached invoice should be included with the assessment check.

The director further orders that Nationwide Life, shall be subject to a civil penalty under AS 21.55.200(d) as cited above. The civil penalty shall accrue at the rate of \$100 per day from November 15, 2012 until the assessment is paid in full. Once the division is notified of the date the assessment has been paid, the division will notify the company of the exact amount of the \$100 per day civil penalty and instructions for payment. The civil penalty is payable to the division, **not** to ACHIA.

Failure to comply with this order will result in additional administrative action, which may include suspension or revocation of the company’s certificate of authority under AS 21.09.150(a).

This order takes effect November 16, 2012.



Bret S. Kolb
Director